

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

United States Courts
Southern District of Texas
FILED

DEC 18 2018

David J. Bradley, Clerk of Court

UNITED STATES OF AMERICA

v.

JOHN WESLEY SARPY,
Defendant.

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CRIMINAL NO.

(UNDER SEAL)

18CR718

INDICTMENT

THE GRAND JURY CHARGES THAT:

COUNTS ONE-THREE

(Wire Fraud – 18 U.S.C. §§1343 and 2)

A. INTRODUCTION

At all times material to this indictment:

1. JOHN WESLEY SARPY (“SARPY”) is a resident in Houston, Texas.
2. Sarpy Investment Corporation (“SIC”) is a business registered with the Louisiana Secretary of State with a principal office address in Lafayette, Louisiana. John Sarpy is listed as the President with an address in Houston, Texas.
3. Legacy International Production & Exploration Corporation is a business registered with the Texas Secretary of State with a principal office address in Houston, Texas. John Sarpy is listed at the Registered Agent with an address in Houston, Texas.

4. J.E. is a consulting group based in California and is a company that assists other companies in acquiring financing for their business needs.

5. N.L.S., LLC is based in Louisiana and is a company that assists other companies in acquiring financing for their business needs.

8. R.B.C. is based in Louisiana with an office in Texas and is a company that assists other companies in acquiring financing for their business needs.

9. M.D.C., LLC is based in Pennsylvania and is a company that assists other companies acquire financing for their business needs.

10. PwC is a multinational professional services network and accounting firm headquartered in London, United Kingdom. PwC ranks as the second largest professional services firm in the world and is one of the Big Four auditors.

11. BDO USA, LLP is a professional services and accounting/consulting with its headquarters in Chicago, Illinois.

12. KPMG is a professional service company and one of the Big Four auditors, seated in Amstelveen, the Netherlands. The company provides three lines of services: financial audit, tax, and advisory.

B. THE SCHEME AND ARTIFICE TO DEFRAUD

12. Beginning in or about March 2018 to the date of the indictment, in the Houston Division of the Southern District of Texas and elsewhere, the defendant,

JOHN WESLEY SARPY,

in the specific counts listed below intentionally and knowingly devised and intended to devise a scheme and artifice to defraud lending institutions, by means of material false pretenses, representations, and promises, in that **SARPY** was attempting to obtain multi-million dollar loans from various lending institutions and was submitting fraudulent documents in order to obtain those loans.

C. EXECUTION OF THE SCHEME AND ARTIFICE

On or about the dates set forth below, in the Southern District of Texas and elsewhere, the defendant listed below, did aid and abet with others unknown to the grand jury, for the purpose of executing the aforementioned scheme and artifice to defraud and in an attempt to obtain money by material false and fraudulent representations, pretenses, and promises, did intentionally and knowingly cause to be transmitted by means of wire communication in interstate or foreign commerce, the following documents described below:

<u>Count</u>	<u>Date</u>	<u>Defendant</u>	<u>Wire Communication</u>
1	March 21, 2018	JOHN WESLEY SARPY	Emailed a fraudulent audit opinion purporting to be from BDO in order to secure a \$6 to \$10 million loan from R.B.C.

2	June 19, 2018	JOHN WESLEY SARPY	Uploaded into Dropbox for Business a fraudulent audit opinion purporting to be from PwC in order to secure a \$15 million loan from M.D.C., LLC.
3	September 6, 2018	JOHN WESLEY SARPY	Emailed a fraudulent audit opinion purporting to be from KPMG in order to secure a \$15 million loan from N.L.S., LLC.

NOTICE OF CRIMINAL FORFEITURE
28 U.S.C. § 2461(c); 18 U.S.C. § 981(a)(1)(C)

Pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C), the United States gives notice to the defendant,

JOHN WESLEY SARPY,

that in the event of conviction of any of the offenses charged in Counts 1 through 3 of this Indictment, the United States intends to seek forfeiture of all property, real or personal, which constitutes or is derived from proceeds traceable to such offenses.

Money Judgment

Defendant is notified that upon conviction, a money judgment may be imposed equal to the total value of the property subject to forfeiture.

Substitute Assets

Defendant is notified that in the event that property subject to forfeiture, as a

result of any act or omission of defendant,

- (A) cannot be located upon the exercise of due diligence;
- (B) has been transferred or sold to, or deposited with, a third party;
- (C) has been placed beyond the jurisdiction of the court;
- (D) has been substantially diminished in value; or
- (E) has been commingled with other property that cannot be divided without difficulty,


it is the intent of the United States to seek forfeiture of any other property of the defendant up to the total value of such property pursuant to Title 21, United States Code, Section 853(p), incorporated by reference in Title 28, United States Code, Section 2461(c).

A TRUE BILL

ORIGINAL SIGNATURE ON FILE


FOREPERSON OF THE GRAND JURY

RYAN K. PATRICK
UNITED STATES ATTORNEY

By: 
SUZANNE ELMILADY
Assistant United States Attorney
(713) 567-9000